

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2046 - HB 1982

March 17, 2009

SUMMARY OF BILL: Authorizes the Tennessee Local Development Authority (TLDA) to enter into loan or grant agreements with local governments for projects under the Wastewater Facilities Act of 1987 or the Drinking Water Revolving Loan Fund Act of 1997, using funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA). Specifically, authorizes the TLDA to forgive loan principal, charge negative interest, and make loans from stimulus funds without requiring state matching funds.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Local government revenue will increase from loans received and local government expenditures will increase as the loans are repaid. The amount of these increases is dependent on the amount and terms of the loan. Approximately \$77,000,000 from loans made using funds provided by the ARRA will be repaid to the state over the next 20 years. These monies will then be loaned to other local governments.

Assumption:

- This legislation may increase the number of local governments applying for and receiving loans from TLDA.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/kmc